Company Registration No. 08929065 (England and Wales)

BARNWELL ACADEMY TRUST

(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT AND AUDITED ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2017

BARNWELL ACADEMY TRUST

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BARNWELL ACADEMY TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Members	A Shale A Whitaker C Rogers G Seagrove (Appointed 15 March 2017) S Wharton (Chair of Trustees - Appointed 15 March 2017)
Trustees	S Dimmock A Emmerson (Accounting Officer) A Falconer (Resigned 24 November 2016) A Shale (Resigned 14 March 2017) A Whitaker (Resigned 14 March 2017) D L Smith C Rogers (Resigned 14 March 2017) D Hargrave L Williams (Vice Chair (Appointed 15 March 2017)) N Collinson S Wharton (Chair (Appointed 15 March 2017)) D Morton (Appointed 27 April 2017)
Senior management team	
- Principle Headteacher	A Emmerson
- Deputy Headteacher	M Green (Resigned 31 August 2017)
- Business Manager	C Nellist
Company secretary	C Nellist
Company registration number	08929065 (England and Wales)
Registered office	Whitefield Estate Houghton Le Spring Tyne & Wear DH4 7RT
Independent auditor	Baldwins Audit Services Limited Wynyard Park House Wynyard Avenue Wynyard TS22 5TB
Bankers	Lloyds Bank plc 54 Fawcett Street Sunderland SR1 1SE
Solicitors	Samuel Phillips Gibb Chambers 52 Westgate Road Newcastle upon Tyne Tyne & Wear NE1 5XU

REFERENCE AND ADMINISTRATIVE DETAILS

Solicitors	Samuel Phillips Gibb Chambers 52 Westgate Road Newcastle upon Tyne Tyne & Wear NE1 5XU

BARNWELL ACADEMY TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2017

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 1 September 2016 to 31 August 2017. The annual report serves the purposes of both a trustees' report, and a directors' report under company law. The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

The trust operates a nursery and a primary academy for pupils aged 3 to 11 serving a catchment area in the Coalfields area of Sunderland. The primary academy has a pupil capacity of 210 and had a roll of 211 in the school census on 19th January 2017. Following an Ofsted inspection in February 2017, Barnwell Academy achieved a 'Good' rating.

The trust also operates Barnwell Daycare, a 36 place provision for children aged 0-5. Barnwell Daycare is located within the Monument Centre, which also comprises a community sports hall and space for parental / children's activities. Barnwell Daycare has previously been rated as 'Outstanding' in July 2016 by Ofsted.

Structure, governance and management

Constitution

The academy trust is a company limited by guarantee and an exempt charity. The company was incorporated on 7th March 2014 and converted to academy status on 1st April 2014. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust.

The trustees of Barnwell Academy Trust are also the directors of the charitable company for the purposes of company law. The charitable company is known as Barnwell Academy Trust.

Details of the trustees who served during the year are included in the Reference and Administrative Details on page 1.

Members' liability

Each member of the charitable company undertakes to contribute to the assets of the charitable company in the event of it being wound up while they are a member, or within one year after they cease to be a member, such amount as may be required, not exceeding £10, for the debts and liabilities contracted before they ceased to be a member.

Trustees' indemnities

The Trust has purchased insurance to protect Trustees, Governors and staff from claims arising due to negligent acts, errors or omissions whilst carrying out Academy business.

Method of recruitment and appointment or election of trustees

Trustees (or Directors) are appointed under the rules contained within the Trust's Memorandum and Articles of Association and membership to the Board of Trustees is in accordance with the structure contained within it. Appointments are made are in line with the guidance in the Articles of Association. The term of office for any Director shall be four years.

The Trustees may appoint Staff Trustees through such process as they may determine, provided that the total number of Trustees (including the Head Teacher) who are employees of the Trust does not exceed one third of the total number of Trustees. The Head Teacher of the Academy shall be a Trustee for as long as he or she remains in that position.

The Trustees make the necessary arrangements for and determine all matters relating to the election of Parent Trustees. Parent Trustees must be a parent of a pupil at the Academy at the time they were elected or when the Trust was established.

The Secretary of State may appoint additional Trustees as he thinks fit if he has given a warning notice and the Trustees have failed to comply, or secure compliance with the notice to the Secretary of State's satisfaction, within the compliance period. The Secretary of State may also appoint additional Trustees following an inspection by the Chief Inspector of Schools (Ofsted) where the Trust receives a grading which amounts to a drop of two Ofsted grades.

Policies and procedures adopted for the induction and training of trustees

All new Trustees and/or Governors will be given induction training by the Trust's governance partner that reflects his/her previous experience and expertise. The Trust purchases support that provides for individual and full Governing Body training through an annual Service level agreement which is reviewed each year to reflect any changes in practice and legislation. The Trust will perform an annual skills audit of Trustees and Governors, should any gaps be identified training courses are offered to address these issues.

Organisational structure

The Members established the Trust and set out the constitution of the school, through signing its memorandum and articles of association. Members can appoint and dismiss Trustees/Directors.

The leadership and management structure of the Trust consists of the Board of Trustees and the Senior Management Team of the Academy. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels.

The Board of Trustees set the strategic direction of the Trust and is ultimately accountable to the Secretary of State for its performance. They will hold to account the Head Teacher who is also the Accounting Officer. Powers are delegated from the Board via terms of reference. This is reviewed on an annual basis.

The Trustees are responsible for strategic planning, setting general policy, adopting an annual development plan, reviewing curriculum, budget monitoring, making major decisions about the direction of the Academy and the Trust and senior staffing appointments as well as monitoring standards and performance.

The Senior Management Team consists of the Head Teacher, Deputy Head Teacher and Business Manager. The team lead and manage the Trust at an executive level, steering the direction of the Academy in line with strategic plans and developing opportunities. They are also responsible for the day to day operation of the Academy (with support from the Senior Leadership Team) in addition to supporting the wider work and objectives of the Trust.

The Head Teacher and Trustees are responsible for the authorisation of spending within agreed budgets and the appointment of staff as stated in the scheme of delegation and the Academy's financial regulations manual.

The Business Manager is responsible for the management of the financial systems, sourcing additional funds and ensuring efficient and effective use of resources. The Business Manager is responsible for the authorisation of spending up to agreed limits as stated in the scheme of delegation and the financial regulations manual, alongside the management of support staff, facilities staff and the efficient operation of the school office.

The Head Teacher is the Accounting Officer for the Academy.

The Senior Leadership Team consists of the Senior Management Team with the addition of the EYFS / KS1 / KS2 Leads. The team lead and manage the effective delivery of the teaching and learning / curriculum.

Related parties and other connected charities and organisations

Governors are required to declare any business interests that may impact on the Academy. The adopted policy is that if interests are declared then the Governor will remove themselves from the relevant decision making process.

For the period ending 31st August 2017 there are no connected organisations or related party relationships.

Objectives and activities

Objects and aims

The principal objective and activity of the charitable company is the operation of Barnwell Academy to provide early years education and childcare for children between the ages of 0-3 years in a daycare setting, and providing education for pupils of different abilities between the ages of 3-11 years in school. Barnwell Academy is an inclusive environment and is dedicated to continually improving the quality of the educational provision for all of our pupils, so that they may achieve their full potential and leave this school prepared for the demands of society in their future.

At Barnwell Academy we aim to create a secure, caring and stimulating learning environment in which everyone can develop his or her aptitudes and abilities to the full. Barnwell Academy is staffed by a committed and talented team of teachers, teaching assistants, office and premises staff, and supported by an active Board of Trustees. We firmly believe that a key factor in helping children develop and achieve lies in the relationship between home and school.

Our aims:

- For all pupils to develop into successful learners and achieve their full potential through high quality purposeful teaching.
- To nurture and develop every child to become responsible and caring members of the community.
- To work in genuine partnerships with families and the wider community.
- To provide for every child an enjoyable, broad and balanced curriculum in a high quality, stimulating environment.
- To challenge, support and develop staff to create an outstanding workforce.

Trustees, staff, parents and pupils aim to work together to ensure the vision is realised through robust planning, organisation, implementation, analysis and self-evaluation.

Objectives, strategies and activities

During the period ending 31st August 2017, the Board of Trustees and Senior Management Team developed a new 3 year business plan to ensure the educational excellence of the Academy and the Trust's expansion and financial stability for the future. This plan included three main strategic aims going forward:

Strategic Aim 1: **Outcomes**	**Key Strategic Areas**
All academies are enabled to achieve excellence.	i. To deliver high quality teaching and learning for every child providing a broad, balanced yet challenging curriculum.
	i. To ensure every child regardless of ability, gender, race, age, religion, race or physical challenge, makes good progress, attains high and achieves their potential.
	iii. To use self-led evaluation to drive school improvement and staff development.

Success Criteria

1. Attainment and progress at all key stages are above national levels across the trust.
2. All teaching is judged to be good or outstanding across the trust.
3. All groups of pupils make expected or better progress across the trust.
4. Self-led evaluation and external inspection to recognise outstanding outcomes across the trust.

Strategic Aim 2: **Leadership**	**Key Strategic Areas**
To ensure high quality governance and leadership at all levels.	i. To develop a Trust Board that represents the right skill-set to drive forward the organisation.
	i. To secure local Governing bodies that are uncompromising in their ambition to improve outcomes for all pupils.
	i. To empower Leaders to drive school improvement and set high expectations for all.
	iv. To develop the performance of middle leaders and build capacity for further improvement within the trust.

Success Criteria

1. The Trust Board is established and recognised as being high performing.
2. Leadership, including Governance, is judged to be outstanding through self-led evaluation and external inspection.
3. The Trust Board are clearly focused on raising standards and securing excellent outcomes for all pupils in the trust.
4. Substantive leadership and well-developed middle leaders, are demonstrating clear progress across the trust.
5. All statutory responsibilities, including safeguarding and health and safety, continue to be met.
6. The Trust Board continue to challenge and drive financial stability.

Strategic Aim 3: **Business**	**Key Strategic Areas**
To strengthen the Trust by ensuring future sustainability.	i. To create and maintain a business plan that drives measured and systematic growth.
	i. To deliver balanced budget plans year-on-year.
	i. To monitor and successfully manage risks
	i. To deliver high-quality services

Success Criteria

1. The trust has grown to provide an inclusive educational community to 0-11 year olds.
2. Financial plans and forecasts deliver a stable budget position with no deficits within the trust.
3. The trust fully understand the management of Risk and has in place effective plans to mitigate and control these risks.
4. The trust provide high-quality services not only within the trust but to external partners.

Public benefit

The trustees have given due consideration to the Charity Commission's general guidance on public benefit when reviewing the aims and objectives of the academy and in planning future activities. In particular, the trustees consider the provision of education to provide public benefit to the community in which it operates.

Strategic report

Achievements and performance

Achievements and performance Objectives achieved 2016-2017:

- Barnwell Academy maintained its Good Ofsted rating.
- The Governors and leaders continue to set high expectations of staff and pupil conduct. Staff and pupils continue to excel.
- Governors and leaders continue to consistently improve outcomes for all pupils, especially the disadvantaged.
- A safe, comfortable and stimulating learning environment that is fit for purpose is provided for all children.
- Attendance is high for all groups of pupils.
- Standards of behaviour throughout the school continue to be high.
- The welfare of pupils is effectively promoted. Pupils are safe and feel safe.
- The whole school continues to strive to prevent all forms of bullying. The school has achieved the Gold Anti-Bullying Charter Mark.
- Progress across each year group was substantial and sustained in English and Maths.
- Progress in R/W/M of disadvantaged pupils and SEND pupils was broadly in line or above the national average.
- Attainment in Year 1 phonics remained in line with national average.
- Attainment at the end of EYFS remained broadly in line but above the national average.
- Attainment at the end of Key Stage 1 reading and writing remained broadly in line with the national average and above in maths.
- Attainment at the end of Key Stage 2 remained above the national average in reading, writing, maths and SPAG.
- A broad and balanced curriculum is consistently delivered throughout the school with a significant proportion of pupils continuing curriculum clubs after school.
- Teaching is consistently good in all lessons and a continuing rise of outstanding lessons delivered.

Key performance indicators

The Academy continues to be oversubscribed with a significant number of children applying for 30 places in the Reception class. All year groups maintained or exceeded the PAN number of 30. Any places that became available were allocated immediately according to the Academy's admissions criteria.

High pupil attendance levels have continued. The Academy achieved a whole school attendance of 96%.

	2014	2015	2016	2017
Good Level of Development	60%	62%	70%	73%

Key Stage 1 Teacher Assessment 2017

	Below the standard of the pre-key stage standard (BLW)	Pre-Key Stage: foundations for expected standard (PKF)	Working towards the expected standard (WTS)	Working at the expected standard (EXS)	Working at greater depth within expected standard (GDS)
English: writing	13%	9%	13%	65%	16%
English: reading	10%	6%	10%	74%	26%
Maths	10%	10%	0%	81%	23%

	Has not met the expected standard (HNM)	Working at the expected standard (EXS)
Science	23%	77%

Key Stage 2 Test 2017

	Attained expected standard (Scaled score of 100 or above)	National	School Greater Depth
English: reading	90%	71%	23%
English: Grammar, punctuation and Spelling	90%	77%	53%
Maths	83%	75%	33%
Reading/Writing/ Maths	83%	61%	17%

	School Average Scaled Score	National Average Scaled Score
Reading	106	104
English: Grammar, punctuation and Spelling	108	106
Maths	108	104

	School Progress Score	National Progress Score
Reading	1.7	0.0
English: Grammar, punctuation and Spelling	2.5	0.0
Maths	1.6	0.0

Key Stage 2 Teacher Assessment 2017

	Working towards the expected standard (WTS)	School expected standard (EXS)	National expected standard (EXS)	Working at greater depth within expected standard (GDS)
English: Writing	22%	87%	76%	37%
	Has not met the expected standard (HNM)		Working at the expected standard (EXS)	
Science	10%		90%	

End of KS2 results consistently indicate that by the time pupils leave Barnwell Academy they have made significant progress and results are consistently better than national results.

To ensure that standards are continually raised the Academy operates a schedule of robust self-evaluation to monitor the impact of teaching and learning. Monitoring and evaluation shows the Academy is consistently Good in all aspects of Leadership and Management, Teaching, learning and assessment, Behaviour, welfare and safety, and Outcomes for pupils. The Academy was by Ofsted in February 2016 and continued to be rated a 'Good' school.

Going concern

After making appropriate enquiries, the board of trustees has a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

Financial review

The main sources of income for the Academy Trust are grants from the Education and Skills Funding Agency in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the period 1st September 2016 to 31st August 2017 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The Academy Trust also receives Early Years grant funding and Special Educational Needs funding for High Needs pupils, the use of which is also restricted to particular purposes.

During the period ended 31 August 2017, total expenditure of the Academy was met by recurrent grant funding from the ESFA together with other incoming resources.

In 2016/17, the Trustees of the Academy continued to adhere by the following policies relating to Financial management:-

- Terms of Reference - Financial Management / Schemes of Delegation
- Financial Procedures Manual
- Articles of Association
- Funding Agreement
- Charging Policy
- Academy Financial Handbook
- Accounts Direction

Under accounting standard FRS102, it is necessary to charge projected deficits on the Local Government Pension Scheme, which is provided for support staff, to the restricted fund. This resulted in the pension fund showing a deficit of £512,000 which has been carried forward to 2017/2018. It should be noted that this does not present a liquidity problem for the Trust and that the Trust is reviewing contributions to the pension scheme in order to see a reduction to the pension scheme in future years.

Reserves policy

The Finance Committee review reserve levels on a regular basis in line with the budget monitoring information and forecasts are presented to Trustees. The Academy's free (or unrestricted) reserves are its funds after excluding restricted funds. Free reserves are, therefore, the resources the Academy has or can make available to spend for any or all of the Academy's purposes once it has met its commitments and covered its other planned expenditure. At 31st August 2017 the value of reserves that were freely available to the Trust was £308,873. The Trustees will ensure that the level of reserves that can be carried forward at the end of the financial period will be in line with the guidance received from the DfE on the treatment of the General Annual Grant (GAG) income and other grants.

Reserves are currently held to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unplanned expenditure in future periods. The Trustees aim to match income with expenditure and carry forward reserves they consider necessary for future periods of expenditure.

As at 31st August 2017, the level of Trust reserves held in restricted funds not available for general education purposes is £209,190.

The Trustees will continue to regularly monitor these reserve levels to ensure they provide sufficient working capital to cover the aims and objectives of the larger multi academy trust.

Investment policy and powers

Under the Memorandum and Articles of Association, the academy has the power to deposit or invest funds not immediately required for its own purposes, in any way the Governors see fit. The Trust currently operates interest bearing bank and savings accounts but at present does not have any funds invested as at 31st August 2017.

Principal risks and uncertainties

The principal risks facing the Trust are centred on maintaining pupil numbers and the processes in which the Academies receive their primary source of income from the EFSA/DfE. The soon to be implemented National Funding Formula is a key area that is being strictly monitored, reviewed and managed by the Trust to understand the financial implications and take action to address, if and when changes may arise. In addition the Trust is a member of the Local Government Pension Scheme (LGPS) which results in the recognition of a significant liability on the Trusts' balance sheet.

Other risks identified are in relation to the quality of teaching, safeguarding, health & safety, skills of governors, sustainability of extended services, and robust financial controls.

Strategies to develop middle and senior leaders have been implemented during the last 12 months. The development of the leadership capacity within the Academy will ensure outcomes for pupils and school improvement remain high. Staffing is stable and there is provision to cover items such as maternity and sickness absence. The Business Manager has worked closely with accountants, internal audit providers and the School Finance Team to ensure that financial systems are robust and secure.

Financial and risk management objectives and policies

Financial - the Academy has considerable reliance on continued Government funding through the ESFA. As with all schools, the majority of incoming monetary resources are Government funded and whilst this level is expected to continue, there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

Safeguarding and child protection – the trustees continue to ensure the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline.

Reputational - the continuing success of the Academy is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk Governors ensure that student success and achievement are closely monitored and reviewed.

Staffing - to achieve its objectives the Academy is reliant on the quality of its staff and so the Governors monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning.

Fraud and mismanagement of funds - The Academy continues to appoint an internal auditor to carry out termly checks on financial systems and records as required by the Academy Financial Handbook. All finance staff receive training to keep them up to date with financial practice requirements and develop their skills in this area.

Leadership and Management - Strategies to develop senior and middle leadership are in place. The development of leadership capacity within the Academy will ensure that the outcomes for pupils and school improvement remain high.

The Academy has continued to strengthen its risk management process throughout the year by improving the process and ensuring staff awareness. A risk register is maintained and reviewed and updated on a regular basis.

The trustees examine the financial health formally every term, reviewing performance against budget and overall expenditure by means of regular updates at the Full trustees and Finance committee meetings. The trustees also regularly review cash flow forecasts and ensure sufficient funds are held to cover all known and anticipated commitments.

Plans for future periods

The aims of the Trust remain to continue to provide outstanding education to young people. The development and review of strategic improvement plans continues to steer the direction of travel of the Trust. The current levels of reserves are being evaluated to ensure surplus funds are invested into resources (including buildings, equipment and staff training) to achieve maximum return and to meet our aims and objectives.

Funds held as custodian trustee on behalf of others

There are no funds held as Custodian Trustee on behalf of others.

Auditor
Insofar as the trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware.
- The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

A resolution proposing that Baldwins Audit Services be reappointed as auditor of the charitable company will be put to the members.

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on ...30.11.17..... and signed on its behalf by:

.....
S Wharton
Chair (Appointed 15 March 2017)

BARNWELL ACADEMY TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2017

Scope of responsibility

As trustees we acknowledge we have overall responsibility for ensuring that Barnwell Academy has an effective and appropriate system of control, financial and otherwise. However, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

The board of trustees has delegated the day-to-day responsibility to the Headteacher, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Barnwell Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of trustees has formally met ten times during the 12 month period. Attendance during the year at meetings of the board of trustees was as follows:

Trustees	Meetings attended	Out of possible
S Dimmock	6	6
A Emmerson (Accounting Officer)	10	10
A Falconer (Resigned 24 November 2016)	2	4
A Shale (Resigned 14 March 2017)	7	7
A Whitaker (Resigned 14 March 2017)	6	7
D L Smith	4	5
C Rogers (Resigned 14 March 2017)	7	7
D Hargrave	6	6
L Williams (Vice Chair (Appointed 15 March 2017))	5	7
N Collinson	6	7
S Wharton (Chair (Appointed 15 March 2017))	8	9
D Morton (Appointed 27 April 2017)	0	1

During the period ending 31st August 2017, there have been significant changes to the governance structure. Four Trustees resigned from the Board of Trustees, with three continuing to be Members only. This has created a clear distinction of accountability between the Members and Board of Trustees:

- Mr Arthur Falconer (LA Governor) - resigned 24th November 2016.
- Mrs Amanda Shale (Chair) - resigned 14th March 2017 and now a Member only.
- Mrs Andrea Whitaker (Vice-chair) - resigned 14th March 2017 and now a Member only.
- Mr Christopher Rogers - resigned 14th March 2017 and now a Member only.

Governance reviews

The trust regularly undertakes reviews of strategic leadership and management, as well as teaching and overall performance. The trust has employed the support of a School Improvement Team from Durham County Council to act as a School Improvement Partner (SIP). The SIP consists of a current Ofsted inspector as well as educational advisors who support with school self-evaluation, monitoring standards, performance and governance.

A skills audit was carried out early in the year. Using results from the skills audit, the trust has highlighted where there are gaps in its knowledge base and experience. The trust is aiming to recruit trustees with qualified accountant status and Human Resources experience in the near future.

The audit also highlighted the need for the most recently appointed trustees to secure a more in-depth understanding of school attendance, school data and safeguarding. This has been addressed through high-quality governance training sourced from Sunderland Local Authority.

In February, the Academy was inspected by Ofsted and they reported that:

- Governance is much stronger
- Governors are highly skilled individuals who are well equipped to support and challenge senior leaders effectively
- Governors look forward to receiving their termly data packs, take time to study the information provided and prepare searching questions to ask at full governing body and committee meetings.

Persons with Significant Control (PSC)

With effect from 15th March 2017, there are no Persons with Significant Control (PSC) at Barnwell Academy Trust

Prior to the above date, the Persons with Significant Control (PSC) were:

Director Name:	A Shale
Service Address:	Barnwell Academy, Whitefield Estate, Houghton le Spring DH4 7RT
Nationality:	British
Country of residence:	United Kingdom
Date member became a PSC:	06/04/2016
% Voting right:	Over 25% but less than 50%

Director Name:	A Whitaker
Service Address:	Barnwell Academy, Whitefield Estate, Houghton le Spring DH4 7RT
Nationality:	British
Country of residence:	United Kingdom
Date member became a PSC:	06/04/2016
% Voting right:	Over 25% but less than 50%

Director Name:	C Rogers
Service Address:	Barnwell Academy, Whitefield Estate, Houghton le Spring DH4 7RT
Nationality:	British
Country of residence:	United Kingdom
Date member became a PSC:	06/04/2016
% Voting right:	Over 25% but less than 50%

Finance and Premises Committee

The Finance and Premises Committee is a sub-committee of the main board of trustees.

Its purpose is to assist the decision making of the Trust by enabling more detailed consideration to be given, to ensure the sound management of the Trust's finances, staffing and resources including proper planning, monitoring and probity. The committee also monitors the systems of internal control, arrangements for risk management and ensuring value for money.

Attendance at meetings in the period was as follows:

Trustees	Meetings attended	Out of possible
S Dimmock	1	1
A Emmerson (Accounting Officer)	3	3
A Falconer (Resigned 24 November 2016)	0	1
A Shale (Resigned 14 March 2017)	2	2
A Whitaker (Resigned 14 March 2017)	2	2
C Rogers (Resigned 14 March 2017)	2	2
L Williams (Vice Chair (Appointed 15 March 2017))	1	1
N Collinson	1	1
S Wharton (Chair (Appointed 15 March 2017))	2	3

Review of value for money

As accounting officer the Head Teacher has responsibility for ensuring that the academy trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The accounting officer considers how the trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where available. The accounting officer for the academy trust has delivered improved value for money during the 12 month period by:

- Implementing a staffing restructure in order to address changes in demand whilst continuing to provide additional provision to children.
- Introducing improved and more efficient systems for income collection, charging and monitoring.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Barnwell Academy for the period 1st September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1st September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

The risk and control framework

The academy trust's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular it includes:

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the finance and general purposes committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- Identification and management of risks.

The board of trustees has considered the need for a specific internal audit function and has decided to appoint Sunderland City Council as internal auditor.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. In particular the checks carried out in the current period included:

- testing of governance arrangements
- testing of payroll systems
- testing of procurement systems and controls
- testing of income control and bank reconciliations

During the period ending 31st August 2017, the audit findings and subsequent reports provided substantial assurance that the Academy's controls and processes are robust. Only one low risk was highlighted as needing action:

- Academy records for educational trips and the After School Club should detail clearly the date income collected was banked and who the income relates to.

This action has already been rectified by the Senior Management team.

On a termly basis, the auditors' reports are shared with the board of trustees through the finance committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

Review of effectiveness

As accounting officer the Head Teacher has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the internal auditor/reviewer
- the work of the external auditor
- the financial management and governance self-assessment process
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

Approved by order of the board of trustees on 30.11.17 and signed on its behalf by:

A Emmerson
Accounting Officer

S Wharton
Chair (Appointed 15 March 2017)

BARNWELL ACADEMY TRUST

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2017

As accounting officer of Barnwell Academy Trust I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2016.

I confirm that I and the academy trust's board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2016.

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date. If any instances are identified after the date of this statement, these will be notified to the board of trustees and ESFA.

A. Emerson

A Emmerson
Accounting Officer

30.11.17

BARNWELL ACADEMY TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2017

The trustees (who also act as governors for Barnwell Academy Trust and are also the directors of Barnwell Academy Trust for the purposes of company law) are responsible for preparing the Trustees' Report and the accounts in accordance with the Annual Accounts Direction issued by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the trustees to prepare accounts for each financial year. Under company law the trustees must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period.

In preparing these accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)
- make judgments and accounting estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring that grants received from ESFA/DfE have been applied for the purposes intended.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of accounts may differ from legislation in other jurisdictions.

Approved by order of the board of trustees on 30.11.17 and signed on its behalf by:

S Wharton
Chair (Appointed 15 March 2017)

BARNWELL ACADEMY TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BARNWELL ACADEMY TRUST

Opinion

We have audited the accounts of Barnwell Academy Trust for the year ended 31 August 2017 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2017 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the accounts' section of our report. We are independent of the academy trust in accordance with the ethical requirements that are relevant to our audit of the accounts in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the accounts is not appropriate; or
- the trustees have not disclosed in the accounts any identified material uncertainties that may cast significant doubt about the academy trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the accounts are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the accounts and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the accounts does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the accounts or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BARNWELL ACADEMY TRUST (CONTINUED)

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the Trustees' Report including the incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts; and
- the Trustees' Report including the incorporated strategic report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report, including the incorporated strategic report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the accounts are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, the trustees are responsible for assessing the academy trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company, or have no realistic alternative but to do so.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BARNWELL ACADEMY TRUST (CONTINUED)

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these accounts.

A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at: http://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Baldwins

Graham Fitzgerald BA FCA DChA (Senior Statutory Auditor)
for and on behalf of Baldwins Audit Services Limited

13/12/17

Chartered Accountants
Statutory Auditor

Wynyard Park House
Wynyard Avenue
Wynyard
TS22 5TB

BARNWELL ACADEMY TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO BARNWELL ACADEMY TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 15 September 2017 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Barnwell Academy Trust during the period 1 September 2016 to 31 August 2017 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Barnwell Academy Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Barnwell Academy Trust and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Barnwell Academy Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Barnwell Academy Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Barnwell Academy Trust's funding agreement with the Secretary of State for Education dated 27 March 2014 and the Academies Financial Handbook, extant from 1 September 2016, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance, and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2016 to 2017. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2016 to 31 August 2017 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2016 to 2017 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity.

A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion.

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the academy trust's income and expenditure.

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO BARNWELL ACADEMY TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY (CONTINUED)

The work undertaken to draw to our conclusion includes:

- completion of self assessment questionnaire by Accounting Officer
- discussions with the Accounting Officer and finance team
- review of Internal Assurance report
- review of trustee and committee meeting minutes
- review of finance and other relevant policies
- review of purchases, expenses and expense claims on a sample basis including the application of controls and tendering processes where applicable
- review of gifts and hospitality transactions including the application of controls
- review of credit and debit card transactions including the application of controls
- review of payroll transactions on a sample bases including the application of controls
- review of potential special payments to staff
- review of leases and consideration of areas where borrowing may have been incurred
- consideration of transactions with related and connected parties
- review of register of business interests for completeness and compliance with regulations
- enquiries into transactions that may require disclosure under ESFA delegated authority rules

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2016 to 31 August 2017 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Baldwins

Reporting Accountant

Baldwins Audit Services Limited

Dated: 15/12/17

BARNWELL ACADEMY TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2017

	Notes	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total 2017 £	Total 2016 £
Income and endowments from:						
Donations and capital grants	3	-	-	308,726	308,726	235,175
Charitable activities:						
- Funding for educational operations	4	36,904	1,208,205	-	1,245,109	1,232,945
Other trading activities	5	235,038	-	-	235,038	211,745
Investments	6	785	-	-	785	690
Total income and endowments		272,727	1,208,205	308,726	1,789,658	1,680,555
Expenditure on:						
Raising funds	7	186,305	-	-	186,305	189,581
Charitable activities:						
- Educational operations	8	60,695	1,195,095	71,838	1,327,628	1,244,317
Total expenditure	7	247,000	1,195,095	71,838	1,513,933	1,433,898
Net income		25,727	13,110	236,888	275,725	246,657
Transfers between funds		13,269	(37,778)	24,509	-	-
Other recognised gains and losses						
Actuarial gains/(losses) on defined benefit pension schemes	19	-	455,000	-	455,000	(580,000)
Net movement in funds		38,996	430,332	261,397	730,725	(333,343)
Reconciliation of funds						
Total funds brought forward		60,687	(733,142)	3,237,376	2,564,921	2,898,264
Total funds carried forward		99,683	(302,810)	3,498,773	3,295,646	2,564,921

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2017

Comparative year information Year ended 31 August 2016	Notes	Unrestricted Funds £	Restricted funds: General £	Restricted funds: Fixed asset £	Total 2016 £
Income and endowments from:					
Donations and capital grants	3	-	-	235,175	235,175
Charitable activities:					
- Funding for educational operations	4	27,624	1,205,321	-	1,232,945
Other trading activities	5	211,745	-	-	211,745
Investments	6	690	-	-	690
Total income and endowments		240,059	1,205,321	235,175	1,680,555
Expenditure on:					
Raising funds	7	189,581	-	-	189,581
Charitable activities:					
- Educational operations	8	57,848	1,108,677	77,792	1,244,317
Total expenditure	7	247,429	1,108,677	77,792	1,433,898
Net income/(expenditure)		(7,370)	96,644	157,383	246,657
Transfers between funds		-	(12,493)	12,493	-
Other recognised gains and losses					
Actuarial losses on defined benefit pension schemes	19	-	(580,000)	-	(580,000)
Net movement in funds		(7,370)	(495,849)	169,876	(333,343)
Reconciliation of funds					
Total funds brought forward		68,057	(237,293)	3,067,500	2,898,264
Total funds carried forward		60,687	(733,142)	3,237,376	2,564,921

BARNWELL ACADEMY TRUST

BALANCE SHEET

AS AT 31 AUGUST 2017

	Notes	2017 £	2017 £	2016 £	2016 £
Fixed assets					
Tangible assets	12		2,986,067		2,932,051
Current assets					
Stocks	13	646		647	
Debtors	14	195,485		55,159	
Cash at bank and in hand		778,789		537,759	
		974,920		593,565	
Current liabilities					
Creditors: amounts falling due within one year	15	(153,341)		(68,695)	
Net current assets			821,579		524,870
Net assets excluding pension liability			3,807,646		3,456,921
Defined benefit pension liability	19		(512,000)		(892,000)
Net assets			3,295,646		2,564,921
Funds of the academy trust:					
Restricted funds	17				
- Fixed asset funds			3,498,773		3,237,376
- Restricted income funds			209,190		158,858
- Pension reserve			(512,000)		(892,000)
Total restricted funds			3,195,963		2,504,234
Unrestricted income funds	17		99,683		60,687
Total funds			3,295,646		2,564,921

The accounts set out on pages 25 to 47 were approved by the board of trustees and authorised for issue on 30.11.17 and are signed on its behalf by:

.....

S Wharton

Chair (Appointed 15 March 2017)

Company Number 08929065

BARNWELL ACADEMY TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2017

	Notes	2017 £	2017 £	2016 £	2016 £
Cash flows from operating activities					
Net cash provided by operating activities	**20**		57,373		130,439
Cash flows from investing activities					
Dividends, interest and rents from investments		785		690	
Capital grants from DfE and ESFA		308,726		235,175	
Payments to acquire tangible fixed assets		(125,854)		(12,493)	
			183,657		223,372
Change in cash and cash equivalents in the reporting period			241,030		353,811
Cash and cash equivalents at 1 September 2016			537,759		183,948
Cash and cash equivalents at 31 August 2017			778,789		537,759

1 Accounting policies

A summary of the principal accounting policies adopted (which have been applied consistently, except where noted), judgements and key sources of estimation uncertainty, is set out below.

1.1 Basis of preparation

The accounts of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Barnwell Academy Trust meets the definition of a public benefit entity under FRS 102.

1.2 Going concern

The trustees assess whether the use of going concern is appropriate, ie whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charitable company to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the accounts and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern. Thus they continue to adopt the going concern basis of accounting in preparing the accounts.

The reported share of the LGPS deficit has a significant impact on our restricted funds, however we draw your attention to the cash reserves held by the academy as well as the balances held in unrestricted and restricted general reserves.

1.3 Income

All incoming resources are recognised when the academy trust has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

Grants receivable

Grants are included in the statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the statement of financial activities in the period for which it is receivable, and any abatement in respect of the period is deducted from income and recognised as a liability.

Capital grants are recognised in full when there is an unconditional entitlement to the grant. Unspent amounts of capital grants are reflected in the balance sheet in the restricted fixed asset fund. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

Sponsorship income

Sponsorship income provided to the academy trust which amounts to a donation is recognised in the statement of financial activities in the period in which it is receivable (where there are no performance-related conditions), where the receipt is probable and it can be measured reliably.

1 **Accounting policies** **(Continued)**

Donations

Donations are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable and the amount can be reliably measured.

Other income

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the academy trust has provided the goods or services.

Donated goods, facilities and services

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

Donated fixed assets

Donated fixed assets are measured at fair value unless it is impractical to measure this reliably, in which case the cost of the item to the donor is used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's accounting policies.

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

This includes all expenditure incurred by the academy trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Charitable activities

These are costs incurred on the academy trust's educational operations, including support costs and costs relating to the governance of the academy trust apportioned to charitable activities.

1 Accounting policies **(Continued)**

1.5 Tangible fixed assets and depreciation

Assets costing £500 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding that require the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the statement of financial activities and carried forward in the balance sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the statement of financial activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Land	Not depreciated
Buildings	50 years
Assets under construction	Not depreciated
Computer equipment	3 years
Fixtures, fittings and equipment	5 years

The trust's land and buildings are occupied on a 125 year lease from the local authority. In the view of the trustees, the risks and rewards of occupying the site have been substantially transferred to the trust and therefore the land and buildings have been recognised as a donation on conversion and capitalised within the restricted fixed assets fund.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the statement of financial activities.

1.6 Liabilities

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the academy trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods of services it must provide.

1.7 Leasing and hire purchase commitments

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

1.8 Financial instruments

The academy trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the academy trust and their measurement basis are as follows.

Financial assets

Trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

Cash at bank is classified as a basic financial instrument and is measured at face value.

1 **Accounting policies** **(Continued)**

Financial liabilities

Trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. Taxation and social security are not included in the financial instruments disclosure definition.

Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.9 Stock

Stock is valued at the lower of cost and net realisable value. Net realisable value is based on estimated selling price less further costs to completion and disposal. Provision is made for obsolete and slow moving stock.

1.10 Taxation

The academy trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the academy trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by chapter 3 part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.11 Pensions benefits

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes and the assets are held separately from those of the academy trust.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 19, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate.

The LGPS is a funded scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the statement of financial activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses. Actuarial gains and losses are recognised immediately in other recognised gains and losses.

1.12 Fund accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the academy trust at the discretion of the trustees.

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by funders where the asset acquired or created is held for a specific purpose.

1 Accounting policies **(Continued)**

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the Education and Skills Funding Agency/Department for Education.

2 Critical accounting estimates and areas of judgement

Accounting estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The academy trust makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 19, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

3 Donations and capital grants

	Unrestricted funds	Restricted funds	Total 2017	Total 2016
	£	£	£	£
Capital grants	-	308,726	308,726	235,175

4 Funding for the academy trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
DfE / ESFA grants				
General annual grant (GAG)	-	863,420	863,420	870,289
Other DfE / ESFA grants	-	113,305	113,305	105,393
	-	976,725	976,725	975,682
Other government grants				
Local authority grants	-	231,480	231,480	229,639
Other funds				
Catering income	19,652	-	19,652	27,624
Other incoming resources	17,252	-	17,252	-
	36,904	-	36,904	27,624
Total funding	36,904	1,208,205	1,245,109	1,232,945

5 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
Lettings income	32,648	-	32,648	25,075
Catering income	2,130	-	2,130	2,144
Clubs and childcare income	69,560	-	69,560	92,901
Trips income	13,161	-	13,161	12,250
Other income	117,539	-	117,539	79,375
	235,038	-	235,038	211,745

6 Investment income

	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
Short term deposits	785	-	785	690

7 Expenditure

	Staff costs £	Premises & equipment £	Other costs £	Total 2017 £	Total 2016 £
Expenditure on raising funds	121,941	-	64,364	186,305	189,581
Academy's educational operations					
- Direct costs	775,299	-	57,058	832,357	766,586
- Allocated support costs	259,864	137,841	97,566	495,271	477,731
	1,157,104	137,841	218,988	1,513,933	1,433,898

Net income/(expenditure) for the year includes:	2017 £	2016 £
Fees payable to auditor for:		
- Audit	6,000	6,400
- Other services	2,500	1,900
- Fees payable to other auditors	1,886	2,244
Operating lease rentals	4,286	10,767
Depreciation of tangible fixed assets	71,838	77,792
Net interest on defined benefit pension liability	17,000	10,000

8 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
Direct costs - educational operations	28,409	803,948	832,357	766,586
Support costs - educational operations	32,286	462,985	495,271	477,731
	60,695	1,266,933	1,327,628	1,244,317

8 Charitable activities (Continued)

	2017 £	2016 £
Analysis of support costs		
Support staff costs	259,864	205,310
Depreciation and amortisation	71,838	77,792
Premises costs	45,708	53,765
Other support costs	75,873	101,144
Governance costs	41,988	39,720
	495,271	477,731

9 Staff costs

	2017 £	2016 £
Wages and salaries	831,074	842,773
Social security costs	62,687	51,066
Operating costs of defined benefit pension schemes	222,943	144,412
Staff costs	1,116,704	1,038,251
Supply staff costs	27,443	3,372
Staff restructuring costs	1,530	3,754
Staff development and other staff costs	11,427	8,330
Total staff expenditure	1,157,104	1,053,707

Staff numbers

The average number of persons employed by the academy trust during the year was as follows:

	2017 Number	2016 Number
Teachers	17	18
Administration and support	30	32
Management	3	3
	50	53

Higher paid staff

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2017 Number	2016 Number
£50,001 - £60,000	-	1
£60,001 - £70,000	1	-

9 Staff costs **(Continued)**

Non statutory/non-contractual staff severance payments
Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £1,530 (2016: £3,754). Individually, the payments were: £1,530.

Key management personnel
The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £174,385 (2016: £167,384).

10 Trustees' remuneration and expenses

One or more of the trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The Headteacher and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff members under their contracts of employment, and not in respect of their services as trustees.

The value of trustees' remuneration and other benefits was as follows:

S Dimmock (staff)
Remuneration £40,001 - £45,000 (2016: £40,001 - £45,000)
Employer's pension contributions £5,001 - £10,000 (2016: £5,001 - £10,000)

D Smith (staff)
Remuneration £15,001 - £20,000 (2016: £15,001 - £20,000)
Employer's pension contributions £1 - £5,000 (2016: £1 - £5,000)

A Emmerson (headteacher)
Remuneration £60,001 - £65,000 (2016: £55,001 - £60,000)
Employer's pension contributions £10,001 - £15,000 (2016: £5,001 - £10,000)

11 Trustees and officers insurance

The academy trust has opted into the Department for Education's Risk Protection Arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business, and provides cover up to £10,000,000. It is not possible to quantify the trustees and officers indemnity element from the overall cost of the RPA scheme.

12 Tangible fixed assets

	Land and buildings	Assets under construction	Computer equipment	Fixtures, fittings and equipment	Total
	£	£	£	£	£
Cost					
At 1 September 2016	3,068,038	-	44,763	8,834	3,121,635
Additions	3,744	118,578	-	3,532	125,854
At 31 August 2017	3,071,782	118,578	44,763	12,366	3,247,489
Depreciation					
At 1 September 2016	154,360	-	32,055	3,169	189,584
Charge for the year	64,044	-	5,527	2,267	71,838
At 31 August 2017	218,404	-	37,582	5,436	261,422
Net book value					
At 31 August 2017	2,853,378	118,578	7,181	6,930	2,986,067
At 31 August 2016	2,913,678	-	12,708	5,665	2,932,051

13 Stocks

	2017	2016
	£	£
Catering stock	646	647

14 Debtors

	2017	2016
	£	£
Trade debtors	8,403	3,946
VAT recoverable	15,623	11,818
Other debtors	7,478	11,762
Prepayments and accrued income	163,981	27,633
	195,485	55,159

15 Creditors: amounts falling due within one year

	2017	2016
	£	£
Trade creditors	-	214
Other taxation and social security	1,750	17,620
Other creditors	243	691
Accruals and deferred income	151,348	50,170
	153,341	68,695

16 Deferred income

	2017 £	2016 £
Deferred income is included within:		
Creditors due within one year	20,694	22,082
Deferred income at 1 September 2016	22,082	18,100
Released from previous years	(22,082)	(18,100)
Amounts deferred in the year	20,694	22,082
Deferred income at 31 August 2017	20,694	22,082

Deferred income includes universal free school meals, out of schools fees and rates relief funding received for the next academic year.

17 Funds

	Balance at 1 September 2016 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2017 £
Restricted general funds					
General Annual Grant	158,858	863,420	(775,310)	(37,778)	209,190
Other DfE / ESFA grants	-	113,305	(113,305)	-	-
Other government grants	-	231,480	(231,480)	-	-
Funds excluding pensions	158,858	1,208,205	(1,120,095)	(37,778)	209,190
Pension reserve	(892,000)	-	(75,000)	455,000	(512,000)
	(733,142)	1,208,205	(1,195,095)	417,222	(302,810)
Restricted fixed asset funds					
Transferred on conversion	2,960,033	-	-	-	2,960,033
DfE / ESFA capital grants	248,681	308,726	(71,838)	-	485,569
Capital expenditure from GAG	28,662	-	-	24,509	53,171
	3,237,376	308,726	(71,838)	24,509	3,498,773
Total restricted funds	2,504,234	1,516,931	(1,266,933)	441,731	3,195,963
Unrestricted funds					
General funds	60,687	272,727	(247,000)	13,269	99,683
Total funds	2,564,921	1,789,658	(1,513,933)	455,000	3,295,646

17 Funds **(Continued)**

General Annual Grant must be used for the normal running costs of the academy. Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2017.

Other DfE/ESFA grants includes PE grant, pupil premium and universal free school meals funding.

Other government grants include funding for pupils with special educational needs, early years funding, pupil premium and other grants from the local authority.

The pension reserve reflects the LGPS transactions. The costs and income associated with the defined benefit pension scheme have been recorded in the restricted fund. Staff costs are paid from this fund, including contributions to the LGPS, and the pension liability has therefore been aligned with these funds.

DfE/ESFA capital grants represent Devolved Formula Capital and Academies Capital Maintenance Fund receivable during the period which has been carried forward for use on a refurbishment project.

The Inherited Fixed Asset Fund reflects the assets acquired on conversion. Depreciation on these assets is charged against this fund.

Capital expenditure has been funded by GAG. Transfers between these funds are reflected in the gains, losses and transfers column.

Unrestricted funds can be used for any purpose, at the discretion of the trustees, within the objectives of the academy trust.

The academy's restricted general and unrestricted funds were £308,873 at 31 August 2017.

17 Funds (Continued)

Movements in funds - previous year

	Balance at 1 September 2015 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2016 £
Restricted general funds					
General Annual Grant	81,707	870,289	(780,645)	(12,493)	158,858
Other DfE / ESFA grants	-	105,393	(105,393)	-	-
Other government grants	-	229,639	(229,639)	-	-
Funds excluding pensions	81,707	1,205,321	(1,115,677)	(12,493)	158,858
Pension reserve	(319,000)	-	7,000	(580,000)	(892,000)
	(237,293)	1,205,321	(1,108,677)	(592,493)	(733,142)
Restricted fixed asset funds					
Transferred on conversion	3,034,013	-	(73,980)	-	2,960,033
DfE / ESFA capital grants	13,506	235,175	-	-	248,681
Capital expenditure from GAG	19,981	-	(3,812)	12,493	28,662
	3,067,500	235,175	(77,792)	12,493	3,237,376
Total restricted funds	2,830,207	1,440,496	(1,186,469)	(580,000)	2,504,234
Unrestricted funds					
General funds	68,057	240,059	(247,429)	-	60,687
Total funds	2,898,264	1,680,555	(1,433,898)	(580,000)	2,564,921

18 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds: General £	Restricted funds: Fixed asset £	Total 2017 £
Fund balances at 31 August 2017 are represented by:				
Tangible fixed assets	-	-	2,986,067	2,986,067
Current assets	106,240	258,125	610,555	974,920
Creditors falling due within one year	(6,557)	(48,935)	(97,849)	(153,341)
Defined benefit pension liability	-	(512,000)	-	(512,000)
	99,683	(302,810)	3,498,773	3,295,646

18 Analysis of net assets between funds

(Continued)

	Unrestricted Funds	Restricted funds: General	Restricted funds: Fixed asset	Total 2016
	£	£	£	£
Fund balances at 31 August 2016 are represented by:				
Tangible fixed assets	-	-	2,932,051	2,932,051
Current assets	60,687	227,553	305,325	593,565
Creditors falling due within one year	-	(68,695)	-	(68,695)
Defined benefit pension liability	-	(892,000)	-	(892,000)
	60,687	(733,142)	3,237,376	2,564,921

19 Pensions and similar obligations

The academy trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by South Tyneside Council. Both are multi-employer defined benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012, and that of the LGPS related to the period ended 31 March 2016.

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis - these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014.

19 Pensions and similar obligations **(Continued)**

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to the TPS in the period amounted to £59,257 (2016: £55,568).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

Under the definitions set out in FRS 102, the TPS is a multi-employer pension scheme. The trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 23.6% for employers and 5.5 - 12.5% for employees. The estimated value of employer contributions for the forthcoming year is £97,000 (2016: £110,000).

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

Total contributions made	**2017**	**2016**
	£	**£**
Employer's contributions	106,000	106,000
Employees' contributions	26,000	26,000
Total contributions	132,000	132,000

Principal actuarial assumptions	**2017**	**2016**
	%	**%**
Rate of increases in salaries	3.4	3.4
Rate of increase for pensions in payment	1.9	1.9
Discount rate	2.5	2.0
Inflation assumption (CPI)	1.9	1.9

19 Pensions and similar obligations **(Continued)**

The current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement age 65 are:

	2017 Years	2016 Years
Retiring today		
- Males	22.8	23.2
- Females	26.3	24.8
Retiring in 20 years		
- Males	25.0	25.3
- Females	28.6	27.1

Scheme liabilities would have been affected by changes in assumptions as follows:

	2017 £	2016 £
Discount rate + 0.1%	1,800,000	1,935,000
Discount rate - 0.1%	1,901,000	2,038,000
Mortality assumption + 1 year	1,796,000	1,922,000
Mortality assumption - 1 year	1,904,000	2,051,000
CPI rate + 0.1%	1,878,000	2,013,000
CPI rate - 0.1%	1,823,000	1,960,000

The academy trust's share of the assets in the scheme	2017 Fair value £	2016 Fair value £
Equities	884,418	725,322
Government bonds	52,182	41,572
Corporate bonds	153,870	125,810
Cash	52,182	32,820
Property	120,420	109,400
Other assets	74,928	59,076
Total market value of assets	1,338,000	1,094,000
Actual return on scheme assets - gain/(loss)	138,000	161,000

19 Pensions and similar obligations (Continued)

Amounts recognised in the statement of financial activities

	2017	2016
	£	£
Current service cost	164,000	89,000
Interest income	(23,000)	(33,000)
Interest cost	40,000	43,000
Total operating charge	181,000	99,000

Changes in the present value of defined benefit obligations

	2017	2016
	£	£
Obligations at 1 September 2016	1,986,000	1,136,000
Current service cost	164,000	89,000
Interest cost	40,000	43,000
Employee contributions	26,000	26,000
Actuarial (gain)/loss	(340,000)	708,000
Benefits paid	(26,000)	(16,000)
At 31 August 2017	1,850,000	1,986,000

Changes in the fair value of the academy trust's share of scheme assets

	2017	2016
	£	£
Assets at 1 September 2016	1,094,000	817,000
Interest income	23,000	33,000
Actuarial gain	115,000	128,000
Employer contributions	106,000	106,000
Employee contributions	26,000	26,000
Benefits paid	(26,000)	(16,000)
At 31 August 2017	1,338,000	1,094,000

20 Reconciliation of net income to net cash flows from operating activities

	2017 £	2016 £
Net income for the reporting period	275,725	246,657
Adjusted for:		
Capital grants from DfE/ESFA and other capital income	(308,726)	(235,175)
Investment income receivable	(785)	(690)
Defined benefit pension costs less contributions payable	58,000	(17,000)
Defined benefit pension net finance cost	17,000	10,000
Depreciation of tangible fixed assets	71,838	77,792
Decrease/(increase) in stocks	1	(62)
(Increase)/decrease in debtors	(140,326)	52,789
Increase/(decrease) in creditors	84,646	(3,872)
Net cash provided by operating activities	57,373	130,439

21 Commitments under operating leases

At 31 August 2017 the total future minimum lease payments under non-cancellable operating leases were as follows:

	2017 £	2016 £
Amounts due within one year	4,883	5,629
Amounts due in two and five years	3,745	4,103
	8,628	9,732

22 Capital commitments

	2017 £	2016 £
Expenditure contracted for but not provided in the accounts	427,557	-

Included within the capital commitment amount above is £251,812 in relation to CIF funding works to be completed in the next financial year. As at 31st August 2017 the tender process was ongoing.

23 Related party transactions

Owing to the nature of the academy trust's operations and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the academy trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the academy trust's financial regulations and normal procurement procedures. The following related party transaction took place in the period of account.

No related party transactions took place in the period of account other than certain trustees' remuneration and expenses already disclosed in note 9.

24 Members' liability

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he or she is a member, or within one year after he or she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he or she ceases to be a member.